

Country Profile : Panama



Main cities : Panama ville (430 299 inhab) ; San Miguelito (315 019 inhab) ; Las Cumbres (127 440 inhab) ; La Chorrera (118 521 inhab) ; Tocumen (113 174 inhab) ; Pacora (103 960 inhab).

Urban population : 67.7%

Technology	Environmental	Economic issues	Political stability	Customs posture
<p>While there has been a slowdown in construction and infrastructure spending, compared to the Martinelli period, marked by corruption and systematic overcharging by government officials, foreign investors continue to flock to Panama . Despite the delay, the widening of the Panama Canal was finally launched in June 2016, at a total cost of US \$ 5.3 billion (between 10 and 15% of current GDP). A new project to rehabilitate the city of Colón has been launched for a total budget of US \$ 500 million, as well as a major infrastructure project with the construction of a second metro line in the capital.</p>	<p>Agriculture represented 2.36% of GDP in 2017, employing 14.53% of the active population. Panama mainly produces bananas and different varieties of fruit, vegetables, corn, sugar, rice, coffee, timber, livestock and shrimp. The country has limited natural resources, mainly timber, copper and gold.</p>	<p>Panama’s economy is small, very open, highly diversified, fully dollarized and very competitive by regional standards. According to statistics from the Instituto Nacional de Estadísticas y Censo (INEC), the country recorded growth of 5.3% in 2017, supported by the transport and storage sectors as well as communications. According to IMF estimates, growth stabilized at 4.6% in 2018 and should start rising again in 2019 (estimated at 6.8%), stimulated by the development of public works projects. The balance of payments is still impacted by the importance of imports, and the country remains exposed to the economic situation of North America and South America. In 2018 the inflation rate started to rise again and was estimated at 2.0% by the IMF.</p>	<p>The government's “2015-2019 strategic development plan” is centered on two axes (integration and competitiveness) and includes five objectives: improve productivity and diversify growth; improve quality of life; strengthen human capital; improve infrastructure and improve environmental protection.</p>	<p>Panama is a country mainly export oriented and highly dependent on trade. The country also has more than a fifth of the world's merchant fleet. The Colon Free Zone, which is the second largest free zone in the world after Hong Kong. Panama mainly exports fishery and seafood products, bananas, gold, petroleum products, sugar and coffee. The country mainly imports electrical and electronic equipment, crude oil, food, chemicals, vehicles, pharmaceuticals.</p>

Who is this country already trading with?

The country's main customers are : the USA, Colombia, China and Singapore.

What are the problems facing Panama today?

- Strong sensitivity to the North and South American economic situation;
- A high level of corruption and clientelism, especially in the public service;
- A very slow judicial system;
- Weaknesses in terms of education and professional training;
- Strong income inequalities according to the regions which can generate social and political tensions.